



PCMH & THL EFFICIENCY THRESHOLD GUIDANCE

Program Year 2023



Efficiency Threshold Guidance - Metrics

- The two efficiency measures are:
 1. ED Visits per 1,000 member months (AMB)
 2. Inpatient Discharges per 1,000 member months (IPU)
- Always use the most recent HEDIS® definitions.
- Each measure's threshold should represent the average performance on that measure in CY 2021.
- **MCOs are asked to set a total of 6 thresholds:**
 1. Health Link ED Visits
 2. Health Link Inpatient Discharges
 3. PCMH ED Visits: Family & Adult PCMHs
 4. PCMH Inpatient Discharges: Family & Adult PCMHs
 5. PCMH ED Visits: Pediatric PCMHs
 6. PCMH Inpatient Discharges: Pediatric PCMHs
- These thresholds should represent average performance. In other words, if a PCMH or THL shows performance above average for their members, that organization will earn a star.

Efficiency Threshold Guidance – Metrics (continued)

PCMH

- **For PCMH family and adult**, calculate the average performance of all TennCare members using 2021 data. This will include both children and adult members. Use the panel based on the run date you have closest to 12/31/2021.
- **For PCMH pediatric**, calculate the average performance of all TennCare members **ages 0-19** as of 12/31/2021 using 2021 data. Use the panel based on the run date you have closest to 12/31/2021.
 - TN chose ages 0-19 to match the age frames already designated by HEDIS.

Health Link

- **For Health Link**, calculate the average performance of all members who were eligible for Health Link at the end of December 2021. Remove excluded members. Use the panel based on the run date you have closest to 12/31/2021p.

Thresholds should be set using *member averages* rather than practice averages.

Efficiency Threshold Guidance – Total Cost of Care (PCMH only)

Earning TCOC efficiency stars (for high volume panel $\geq 5,000$ member organizations)

Distribution of prior year provider performance



Approach to TCOC thresholding

- Use all Tax IDs with 500 or more point-in-time members on December 31, 2021. Use a panel based on the run date you have closest to 12/31/2021.
- Use risk adjusted TCOC from CY21 calculated in accordance with the PCMH DBR.
- Rank Tax IDs from high to low cost
- Identify the 5th and 95th percentiles for cost.
- Segment the remaining cost range into 5 bands, equally distributed by cost.
- Assign stars based on the band that contains the provider's risk adjusted TCOC.